

COUNTY OF YORK

MEMORANDUM

DATE: May 23, 2001 (BOS Mtg. June 5, 2001)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator

SUBJECT: Peninsula Metropolitan YMCA Industrial Development Bond Financing by the Industrial Development Authority of the City of Poquoson

The Peninsula Metropolitan YMCA requested that the Industrial Development Authority of York County, Virginia hold a public hearing in connection with the issuance by the Industrial Development Authority of the City of Poquoson for Industrial Development Revenue Bonds in an amount not to exceed \$10,000,000. The bonds will assist the YMCA in financing the acquisition, construction, renovation and development of three family recreational facilities to be located in the City of Newport News, Isle of Wight County and specifically at 1200 Hampton Highway in York County, Virginia.

According to the law, if an Industrial Development Authority is going to issue bonds for work in another locality, they must have approval from the jurisdiction where the facility is going to be built. The YMCA is seeking bonds in the amount of \$8.5 million to finance the new YMCA and projects in two other localities. The YMCA's bond counsel approached York County first to provide this financing and after analyzing how this would impact York County's financing needs, we suggested that they seek another locality to provide this assistance. Localities such as York County may not issue more than \$10 million of bank-qualified bonds in a year in order to maintain their Qualified Small Issuer status. If a locality exceeds the \$10 million limit, they lose the Qualified Small Issuer status and the borrower is forced to pay a higher interest rate. York County is interested in utilizing bank qualified bonds to finance a significant amount of work in Yorktown and possibly the construction of a facility for an economic development manufacturing prospect. Therefore, we did not feel it was prudent to utilize the vast majority of our small issuer borrowing capacity for this project. Fortunately, the City of Poquoson IDA has plenty of borrowing capacity under their Small Issuer status and is willing to assist the YMCA.

The Board of Supervisors has designated the Industrial Development Authority to hold public hearings on its behalf for all industrial development revenue bond issues. This issue came before the Authority at its regular meeting on May 2, 2001 (Exhibit B).

This bond issue will assist the YMCA in lowering their cost of constructing the new facility in York County and will not have any negative impacts on York County's financial position. The Industrial Development Authority adopted a resolution recommending that the Board approve this request. It is respectfully requested that the Board of Supervisors

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approve resolution R01-115, which authorizes the Industrial Development Authority of the City of Poquoson to issue bonds on behalf of the YMCA for a new facility in York County.

Attached are the following documents related to the Bonds:

1. A certificate evidencing the conduct of the public hearing and the action taken by the Authority.
2. The Fiscal Impact Statement for the York County Project.
3. A copy of the resolution adopted by the Industrial Development Authority for the City of Poquoson.
4. Proposed Resolution R01-115.

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Attachments